

FURTHER ORDERED that if during said period of ten (10) days the plaintiff shall take an appeal from this order to the Circuit Court of Appeals and shall give bond with good and sufficient sureties in the sum of \$5,000.00, conditioned on the payment to said individual defendants, co-partners doing business at Ladenburg, Thalmann & Co., of their costs and damages arising from this application for a preliminary injunction and all proceedings consequent thereto in the event that plaintiff's said appeal should be dismissed or that this order, denying plaintiff's motion for an injunction *pendente lite*, should be affirmed or that said stay hereby continued should be reversed or vacated, said stay shall continue until the entry and service of the order of the Circuit Court of Appeals upon said appeal, otherwise said stay shall cease at the end of said period of ten (10) days.

FURTHER ORDERED that anything herein to the contrary notwithstanding, said individual defendants, co-partners doing business as Ladenburg, Thalmann & Co., have, and are hereby granted, leave to apply either to the Circuit Court of Appeals or to a Circuit Judge for a modification or vacation of said stay, or for further security or for any other appropriate relief in respect of said stay.

Dated, New York, N. Y., July 15, 1935.

FRANCIS G. CAPPEY,  
U. S. D. J.

ORDER OF CAFFEY, D. J., DATED JULY 15, 1935.

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK.

UEBERSEE FINANZ-KORPORATION AKTIEN GESELLSCHAFT, 0

*Plaintiff,*

—against—

WALTER T. ROSEN, HARRY B. LAKE, PAUL M. ROSENTHAL, HENRY MARCH; and EDWARD E. THALMANN and ALEXANDER B. SIEGEL, as Trustees of the Estate of Ernest Thalmann. Deceased; and VIRGINIA M. ROSENTHAL, PAUL M. ROSENTHAL, JOHN ROSENTHAL, SIDNEY BACHARACH, and FREDERICK M. HEIMERDINGER, as Executors of the Estate of Moritz Rosenthal, Deceased; Co-partners doing business as LADENBURG, THALMANN & Co., and FEDERAL RESERVE BANK OF NEW YORK,

*Defendants.*

A motion on behalf of plaintiff for an injunction *pendente lite* enjoining and restraining defendant, Federal Reserve Bank of New York, its agents, officers, servants and employees, and each of them, during the pendency of this action and until the further order of this Court, from transferring, delivering, paying over, or otherwise disposing of, the plaintiff's bags of United States gold coins mentioned in the bill of complaint herein, to any person, firm, body, or corporation other than the plaintiff, and for other and further relief, having come on to be heard on the 18th day of June, 1935, pursuant to an order to show cause made herein on the 15th day of June, 1935, and upon reading and filing said order to show cause made herein on June 15, 1935, the affidavit of Isidor J.

Kresel, sworn to the 15th day of June, 1935, and the bill of complaint herein, verified the 15th day of June, 1935, and the affidavit of Isidor J. Kresel, sworn to the 20th day of June, 1935, together with the documents therein referred to and identified, and the affidavit of Isidor J. Kresel, sworn to June 24, 1935, in support of said motion, and upon reading and filing the notice of motion made herein by Walter S. Logan, Esq., solicitor for defendant Federal Reserve Bank of New York, for an order dismissing the bill of complaint herein, and the affidavit of Edwin C. French, duly verified the 17th day of June, 1935, in support of said motion for an order to dismiss bill of complaint herein, and proof of due service of said notice of motion upon plaintiff and upon the individual defendants above named, co-partners doing business as Ladenburg, Thalmann & Co., by the written admissions of their respective attorneys; and, after hearing Isidor J. Kresel, Esq., solicitor for the plaintiff (Isidor J. Kresel, Esq., and Bernard Hershkopf, Esq., of counsel), in support of said motion for an injunction *pendente lite*, and Walter S. Logan, Esq., solicitor for defendant Federal Reserve Bank of New York (Felix T. Davis, Esq., of counsel), in opposition thereto and in support of said motion for an order dismissing the bill of complaint herein, and due deliberation having been had,

Now, on motion of WALTER S. LOGAN, solicitor for defendant, Federal Reserve Bank of New York, it is hereby

**ORDERED:**

1. That the bill of complaint herein be, and the same hereby is, dismissed with respect to defendant, Federal Reserve Bank of New York;
2. That the title of this suit be, and the same hereby is, amended to exclude the name of said Federal Reserve Bank of New York as a party defendant herein.



Dated, New York, New York, July 15th, 1935.

FRANCIS G. CAFFEY,  
United States District Judge.

From the papers before me it appears to be undisputed that the plaintiff purchased the gold here involved in February, 1933; that the individual defendants held, and since March 2, 1933, have held, this gold as warehousemen for the plaintiff; that the Secretary of the Treasury has refused to issue a license, which the plaintiff sought, for exportation of the gold or for its delivery to the defendant bank to be held in custody for a Swiss bank, designated by the plaintiff; and that the Secretary has directed the individual defendants to turn over the gold to the defendant bank to be held for account of the Treasurer of the United States.

For the sake of argument it will be assumed, though it is not decided, that the plaintiff is, and during the whole period has been, a non-resident alien who is not subject to or within the terms of the Emergency Banking Act approved March 9, 1933 (48 Stat. 1), or any of the executive orders or regulations thereunder.

Upon the recited facts, some actual and others assumed, the sole questions arising, or raised by the plaintiff, are (1) whether the Gold Reserve Act of 1934, approved January 30, 1934 (48 Stat. 337), applies to the gold and (2), if so, whether, in an aspect mentioned below, the statute is constitutional.

In contradistinction to the 1933 Act, which was confined to persons, the later statute operates *in rem*. In the first sentence of Section 3 of the Gold Reserve Act it is provided that the Secretary of the Treasury, with the approval of the President, shall by regulations prescribe the conditions under which "gold" may be held or exported and in the second sentence, that "gold in any form" may be exported or held in custody (except for the Govern-



ment) "only to the extent permitted by, and subject to the conditions prescribed in, or pursuant to, such regulations." Section 4 provides that "any gold" withheld, exported or "held in custody, in violation of this Act or of any regulations issued hereunder, or licenses issued pursuant thereto, shall be forfeited to the United States."

It strikes me that the language of the two sections is so clear that there is no escape from construing it to cover the gold in suit. The first sentence of Section 3 deals with "gold". The word is not qualified. It must, therefore, mean all gold. The second sentence deals with "gold in any form" and Section 4, with "any gold." So also both sections unambiguously and explicitly deal with holding such gold in custody. I cannot conceive phraseology which would more plainly embrace the gold with which we are now concerned. That this is true is further confirmed by the last sentence of Section 3. As I read that sentence, it indicates beyond peradventure Congressional intent to include within the previous sentences of the section all gold whatsoever situate within continental United States.

The plaintiff urges that every statute is presumed to be prospective and that the 1934 Act would be given retrospective effect if it were construed to cover gold acquired previous to the passage of that statute. I dissent from this view. I cannot accept it partly because, whatever the presumption, the language employed is both comprehensive and peremptory and partly because a discrimination between parcels of gold so as to subdivide it into classes, separated as of the date of passage of the Act, would create a loophole which would defeat the manifest purpose (save as expressly exempted or provided to be exempted) to carry into the Treasury all gold whatsoever physically within or coming into the United States. No interpretation should be adopted which would frustrate this obvious design of Congress. The use of the expression "held in custody" would have been inapposite if the object had been to relieve from the influence of the statute gold acquired previous to its enactment.

In the light of *Norman v. B. & O. R. Co.*, 294 U. S. 240, and *Nortz v. United States*, 294 U. S. 317, the authority to Congress to provide, as it has provided in the sections of the Gold Reserve Act of 1934 already referred to, for complete commandeering of the entire stock of gold within the territorial limits of the United States seems to me settled. As I see the problem, it is so definitely settled that it would be supererogation for me to discuss it.

The two cases last cited are but the most recent in a long series of decisions by the Supreme Court which have established the plenary nature of the power of Congress with respect to gold when legislating about the money system. It extends to all gold in the country, regardless of who is the owner; regardless of whether the owner be alien or citizen, resident or non-resident; regardless of when ownership has begun or shall begin.

The claim by the plaintiff with respect to the validity of the statute, as I understand it, is reduced to the single insistence that the portion of Section 3 which undertakes to empower the Secretary of the Treasury to make regulations is an attempt to delegate legislative power, within the prohibition declared in such decisions as *Panama Refining Co. v. Ryan*, 293 U. S. 388, and *Schechter Poultry Corporation v. United States*, 55 Sup. Ct. Rep. 837.

The regulations which the Secretary is directed to issue are required to "prescribe the conditions under which gold may be acquired and held, \* \* \* or \* \* \* exported, \* \* \* : (a) for industrial, professional, or artistic use; (b) by the Federal Reserve banks for the purpose of settling international balances; and, (c) for such other purposes as in his judgment are not inconsistent with the purposes of this Act." As I further understand, the plaintiff concedes that clauses (a) and (b) just quoted do not infringe the Constitution; the sole contention being that the vice asserted is exclusively in and exclusively inheres to clause (c).

If, however, regulations resting only on clause (c) be invalid, as I see it, the consequence would be merely that the Secretary would be deprived of opportunity, in his discretion, to make a regulation under which the plaintiff could lawfully be permitted to have gold held in custody for its account or could lawfully export it. I think that it is only upon the hypothesis that clause (c) does confer on the Secretary valid power to make a regulation which would grant the plaintiff leave; or under which, on request, leave might be granted to the plaintiff, to have the gold held in custody for it or to export it that violation of the second sentence of Section 3 or forfeiture under Section 4 could be avoided if the individual defendants should continue to hold the gold for the plaintiff's account or if the plaintiff should proceed with its exportation. There is no occasion, therefore, to pass on the validity of clause (c). If it were treated as void, that would merely spell defeat for the plaintiff; that would merely rob the Secretary of authority,—in conditions outside of clause (a) or (b),—to adopt a regulation legalizing custodial holding of gold for the account of any private owner.

Again, Section 16 creates an affirmative presumption that if any separable provision of the statute be held invalid, the remaining provisions of the Act shall not be affected (*Compare Hill v. Wallace*, 259 U. S. 44; *Utah Power & L. Co. v. Pfof*, 286 U. S. 165; *Champlin Ref. Co. v. Commission*, 286 U. S. 210). On their face, clauses (a) and (b) of Section 3 are wholly separable from clause (c). The three clauses are in no sense dependent on each other. It would be entirely rational and practical for the Secretary to determine that no regulation whatever was or is needed under clause (c). I do not think, therefore, there is any warrant whatever for a court attributing to Congress the purpose, if clause (c) should fail, that either clause (a) or clause (b) or any other provision of the statute should thereupon cease to have effect. To hold otherwise would nullify the specific announcement in Sec-



tion 16 that "If any provision of this Act, \* \* \* is held invalid, the remainder of the Act, \* \* \* shall not be affected thereby."

Upon the grounds stated I feel that, if we ignore the Emergency Banking Act, as well as executive orders and regulations thereunder, the Gold Reserve Act itself stands squarely in the way of an award to the plaintiff of the relief it seeks.

The individual defendants ask the court to take possession of the gold pending further proceedings. The court is not equipped to care for such property. Indeed, I know of no provision of law under which, in the circumstances, the Clerk can be compelled to take it in hand or the court by other means to receive it. While I recognize the embarrassment of the individual defendants, because of the conflicting demands on them, I have been unable to contrive a fair method for their relief at this stage.

The defendant bank moves that the bill be dismissed as against it. If I be right in what has been said above, then such dismissal must follow.

Numerous other points were brought forward at the oral argument and have been repeated in the briefs. In view, however, of the conclusion I have reached, I do not think it worth while, or even appropriate, to go into these additional matters.

Accordingly, the motion for an injunction *pendente lite* will be denied and the bank's motion to dismiss the bill will be granted.

It is clear that if I be in error, serious and perhaps irremediable injury may be suffered by the plaintiff. Under Section 129 of the Judicial Code (28 U. S. C. A., sec. 227) an appeal by the plaintiff to the Circuit Court of Appeals will lie from the refusal of an injunction. I should be willing that the stay contained in the order to show cause of June 15, 1935, continue for ten days after service on the plaintiff's solicitor of the order hereon; also that if during that ten days' period the plaintiff take an appeal

to the Circuit Court of Appeals and give bond in an amount to be prescribed in the order, the stay continue until after disposition of the appeal, provided that, in the meanwhile, the individual defendants have leave to apply either to the Circuit Court of Appeals or to a Circuit Judge for a modification or vacation of such stay. Counsel may be heard by memoranda on settlement of the order as to the amount of the bond.

Settle order on three days' notice.

Dated, July 9, 1935.

FRANCIS G. CAFFEY,  
United States District Judge.

Defendant's Exhibit 9

The National City Bank  
of New York  
established 1812

New York, September 22, 1933

Mr. Fritz von Opel  
New York City.

Dear Sir,

We quote the following extract from the cable received from the Deutsche Bank & Diskonto Gesellschaft, Frankfurt on October 24, 1931:

"Geheimrat Dr. Wilhelm von Opel Ruesselsheim instructed us to cable to you the following new power of attorney—Until you hear from me to the contrary you are hereby authorized and requested to act upon any and all instructions which may be given you from time to time by my son Fritz von Opel regarding any and all funds or other property at any time with you for my account and

to honor each and every withdrawal he may request therefrom—signed Dr. Wilhelm von Opel”

Very truly yours

(signature) E. F. REGAN

Assistant Vice President

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

On this the 22nd day of September in the year one thousand nine hundred and thirty three before me personally came E. F. Regan to me known to be the individual who executed the foregoing and acknowledged that he executed the same.

(signature) Notary Public

Stamp:

Notary Public Richmond Co.,  
Certificate filed in N. Y. Co.  
Clerk's No. 242, Register's No. 4-H 126  
Commission Expires March 30, 1934

### Defendant's Exhibit 10

Der Praesident des Landesfinanzamts Kassel  
als  
Stelle fuer Devisenbewirtschaftung

Frankfurt/Main, March 21, 1932

Zweigstelle Frankfurt (Main).

No. 15595



Your applications of December 22, 1931, and February 5, 1932, for the release of your deposits of sfrs. 3,500,000.00 with the firm of Adler & Co., Zuerich, are hereby denied, in view of the financial and economic situation.

By order

(sgd.) MUELKE

stamp:

(Foreign Exchange)

( Control Office )

( Kassel )

( Branch office )

( Frankfurt a/M. )

Herrn

Geheimer Kommerzienrat

Dr. Wilhelm von Opel,

Ruesselsheim

### Defendant's Exhibit 11

BERLIN SW 111, November 30, 1931

Anmeldestelle

fuer Auslandsschulden

(Office for the Registration  
of Foreign Debts)

Herrn

Geh. Kommerziensat

Dr. Wilhelm von Opel

Diary No. 10206

Since it is necessary for the impending standstill negotiations to ascertain the present status of foreign debts,

we are sending you enclosed a form supplementing the report you sent us pursuant to the Directive for the execution of the Order of the Reichspräsident concerning the Registration of Foreign Liabilities, dated July 27, 1931. (Reich Law Gazette I, Page 403).

We request you to state thereon with the greatest accuracy your foreign liabilities as of November 30, 1931.

Instructions for filling in the form are attached.

Please return the report not later than December 5, 1931, using the enclosed franked envelope.

In case there should be no more foreign liabilities on November 30, a negative report has to be submitted in any case, which will bear your signature.

Anmeldestelle fuer Auslandsschulden  
(sgd.) signature illegible

### Defendant's Exhibit 12

December 11, 1931

An die

Anmeldestelle fuer Auslandsschulden  
(Office for the Registration of Foreign Debts)  
Berlin SW 111

Enclosed I am sending you the executed and signed form which you sent me. On account of a trip I was unable to send it in any earlier.

Very sincerely yours,

Enclosure

An die

Diary No. 10206

Anmeldestelle fuer Auslandsschulden  
(Office for the Registration of Foreign Debts)

Berlin SW 111

*Supplement*

Supplementing my report handed to you in compliance with the Directive for the Execution of the Order of the Reichspräsident regarding Registration of Foreign Liabilities, dated July 27, 1931, I am enumerating below all my foreign debts as of November 30, 1931.

On November 30, 1931, I had foreign liabilities in RM and foreign exchange as listed below.

In filling in the form, I have strictly adhered to the instructions of the leaflet.

Ruesselsheim, December 11, 1931

sgd. DR. WILHELM VON OPEL  
Wiesbaden,  
Steubenstrasse 34





[Translated from a photostatic copy of the German original.  
Handwritten notations appear in brackets.]

Diary No. 10206

Group 17

Liabilities from contingent obligations (guaranties etc.) :-  
opposite other creditors

Monetary Unit	Amount in foreign exchange	Reichsmark equivalent (5mitting Pfennige)	Maturity Month, Year	Name and location of the creditor	Country	Trade branch
sfrs.	3,816,500.00	3,114,264.31	December 31, 1931	Fritz v. Opel respectively Overseas Finance Corporation, Zurich,	Switzerland	Patent office

[December 11, 1931]



## Defendant's Exhibit 13

January 5, 1932

An den

Herrn Praesidenten des Landesfinanzamts Kassel  
als Stelle fuer Devisenbewirtschaftung,  
Zweigstelle Frankfurt a.M.,

Frankfurt a.M.

Answering your letter of the 29th of last month I am enclosing herewith

1. copy of the agreement with the firm of Adler & Co. Zuerich. A certified copy of the agreement is already in your hands. My representative will personally show you the original.

2. Copy of a telegram showing that the option was exercised. This original, too, will be shown by my representative.

These documents show that my son Fritz von Opel is obliged to take over the sfrs. 300,000.00 shares of the Overseas Finance Corporation Ltd. at the rate of 105 1/2% and to make available through me a loan of sfrs. 3,500,000.00.

With the letter of October 28, 1931, copy of which is enclosed, I myself had asked the firm of Adler & Co. to release me from my obligation to place the loan at the disposal of my son. However, according to the letter of November 30, 1931, copy of which is also enclosed, the firm of Adler & Co. insists upon its right, so that I too am compelled to keep available for the loan the expected amount of sfrs. 3,500,000.00, and the price of the shares. The originals of these two letters will also be shown to you by my representative.



Since the other contracting party will under any circumstances compel my son to fulfill his obligations under the contract, my son has also taken measures for the purpose of safeguarding his claim with a view to cover himself, as the enclosed copy of a letter will show.

Incidentally, I myself believe that the projected enterprise of my son will succeed and may be of great importance to German economy. I am again enclosing a list of the patents owned by my son, which since many of them are foreign patents, are to be exploited by this company.

Furthermore, I am enclosing for your inspection abstracts of my current account which show that I kept the money ready for my son as early as March 1930, in the beginning of the negotiations, for reasons which my representative will explain to you personally.

I am asking again to approve my application of December 22, 1931.

Yours very truly,

---

Defendant's Exhibit 14

January 13, 1932

To the  
President of the Regional Revenue Office Kassel  
in its capacity as Foreign Exchange Control Office  
Frankfurt on Main Branch  
attention Reichsbankdirektor Goller,

Frankfurt a.M.

Dear Sir,

I am referring to the conference you had some days ago with Dr. Faust and beg to hand you enclosed the records you requested:

- 1.) the acknowledgment by my son of the letter of Messrs. Adler & Co. Zuerich, dated April 15, 1931.
- 2.) the letter of Messrs. Adler & Co., by which this firm exercises its right of option.

*To 1 and 2:* Since my son is away at present on a trip he could not send the original letters and procured copies for this purpose, but with an accompanying letter by Messrs. Adler & Co., which I am enclosing in the original.

- 3.) the affidavit you desired.

I beg to inform you also, that I remitted the free amount of about sfrs. 354,834.90 to the account of the directorate of the Reichsbank (Reichsbankdirektorium) Berlin, with the Schweizerische Kreditanstalt in Zuerich. I have informed the directorate of the Reichsbank Berlin accordingly.

Yours very truly,

January 13, 1932

I hereby declare in lieu of oath

When the Adam Opel Aktiengesellschaft was sold to General Motors, I promised my son, who at the time was sole Director of the company, to place funds at his disposal to enable him to set himself up in business, in case he should not wish to return to the management of Ruesselsheim after a two years' study with the General Motors Works.

In order to enable my son to exploit his domestic and foreign patents, I repeatedly, and also in the spring of 1931, promised him the funds he required for his purposes by referring to any credit balance with the Schweizerische Kreditanstalt in Zuerich.

## Defendant's Exhibit 15

Der Praesident des Landesfinanzamts Kassel  
als

Stelle fuer Devisenbewirtschaftung

Frankfurt on Main,  
January 25, 1932

Zweigstelle Frankfurt (Main)

On December 22, 1931, you applied for a license to dispose

of sfrs.	3,945,000.00
plus "	9,634.90
<hr/>	
total "	3,854,634.90

According to the record submitted the following amounts are to be paid to Messrs. Adler & Co. by way of a loan sfrs.

	3,500,000.00		
for the participation	316,500.00	"	3,816,500.00
	<hr/>		

so that sfrs. 38,134.90  
should be available for delivery.

However, by letter of January 13 you informed me that an unused amount of about sfrs. 354,634.90 had been remitted to the Reichsbank Direktorium.

Thus there is a difference amounting to

sfrs.	316,500.00
	<hr/>



which corresponds to the sum which was to be used for the purchase of the shares. Accordingly only an amount of sfrs. 3,500,000.00 is earmarked.

Kindly let me know with what funds the price of the shares is to be paid.

((seal))

By order  
(sgd.) Goller

Herrn  
Geheimer Kommerzienrat  
Dr. Ing. h.c. Wilhelm von Opel,  
Ruesselsheim

Defendant's Exhibit 16

February 5, 1932

An den  
Herrn Praesidenten des Landesfinanzamtes Kassel  
als Stelle fuer Devisenbewirtschaftung,  
Zweigstelle Frankfurt am Main,  
Attention of Reichsbankdirektor Goller,

Frankfurt a. M.

Dear Sir,

I regret that I have been unable until today to answer your letters of January 25 and February 2, since I have been away on business for several days.

As Dr. Faust informed you personally at the time, Geheimrat Dr. Wilhelm von Opel is on a trip round the world since the middle of January. For this reason your letters remained unanswered for several days.

With regard to the matter itself I beg to inform you as follows:

The remittance of the amount of sfrs. 336,771.50 is due to the fact, that this amount corresponds to that part of the credit balance of Geheimrat von Opel which was not affected by the attachment. Geheimrat von Opel had given instructions to remit this amount to the Reichsbankdirektorium shortly before he left.

Mr. Fritz von Opel decided to do without the sfrs. 316,500.00, since this amount was advanced to him by a Dutch syndicate in return for the depositing of the shares. As I was told by Mr. von Opel, he informed you at one of the conversations he had with you of his intention to enlist the financial aid of a foreign group interested in the exploitation of his patents, which he succeeded in accomplishing as stated above.

Trusting that the above information will be of use to you, I am

Yours sincerely,

(s) Uebel

### Defendant's Exhibit 17

5a

Betreibungsamt (Sheriff's Office)  
Zuerich 1  
Ruedenplatz 1

Case No. 134  
Attachment: 135

Registered

### Notice of Attachment

Debtor: Dr. Ing. W. von Opel, Geheimer Kommerzienrat  
Ruesselsheim—Frankfurt o. Main

Upon request of the creditor:

F. von Opel, Braschaed near Antwerp  
represented by Dr. Eugen Meier, attorney-at-law in Liestal,  
attachment will be made for an amount of Fr. 3,500,000.00  
plus interest and costs in the home of the debtor, on Friday  
noon, February 12, 1932. Fr.—25.10 costs of attachment  
Zuerich, February 10, 1932

Office of the Sheriff Zuerich I  
(signed) H. Kuhn

**Defendant's Exhibit 18**

Zuerich, February 25, 1932

SCHWEIZERISCHE KREDITANSTALT  
Zuerich

D/MC

Rechtsbureau  
(Legal Department)

Herrn Dr. Ing. Wilhelm von Opel,  
Geheimer Kommerzienrat,

*Rüsselsheim am Main.*

We beg to inform you that your deposits with us have  
been attached by the Betreibungsamt Zuerich I (similar to  
sheriff's office) on behalf of Mr. Fritz von Opel, Brasschaed  
near Antwerp, represented by Dr. Eugen Meier, attorney-  
at-law, Liestal.



We assume you will take the necessary steps to protect your interests.

We remain

Yours truly,

SCHWEIZERISCHE KREDITANSTALT  
(sgd.) Folkart by power of procuration.  
(sgd.) G. Frey

### Defendant's Exhibit 19

Form No. 28a

Attachment No. 134

Betreibungsamt (Sheriff's office)

Zuerich I.

*Notice of application to dispose of attached property.*

To

Dr. Wilhelm von Opel

*Ruesselsheim near Frankfurt on Main*

The creditor Fritz von Opel, Braschaed, represented by Dr. Eugen Meier, attorney-at-law in Liestal, requests in his application of March 14, 1932, the use of the bank balance named in the above attachment.

- 3) Place and time of the auction will be announced later.
- 3) The auction will be ordered and published } April 2,
- 3) The objects to be utilized will be taken away } 1932

Zuerich, March 15, 1932.

Creditor demands assignment of the credit balance under attachment at the Schweizerische Kreditanstalt according to Article 131 section 180h and K. Ges. The credit balance will therefore be assigned to him up to the amount of his claim plus interest and costs at par in lieu of payment.

Office of the Sheriff,  
Zuerich 1, (sgd.) H. Kuhn.

### Defendant's Exhibit 20

REICHSBANKSTELLE  
WIESBADEN, LUISENSTRASSE 21

Herrn  
Wilhelm von Opel,  
Dr. ing. h.c. Geheimer Kommerzienrat  
Wiesbaden  
Steubenstrasse

March 24, 1932

We received your letter of the 21st instant and beg to reply that according to our advice of October 22, 1931, the amount in question of sfrs. 3,500,000.00 had to be regarded as blocked on behalf of the Reichsbank. By letter of December 2, 1931, we again pointed out the situation and informed you that you could only dispose of the amount with our permission. Under these circumstances the attachment of the amount by a third party ought to have been reported to us immediately. Therefore, we are very much surprised to get this belated information only today. We now wish to clear up the whole matter as quickly as possible and would ask you to submit to us the order of attach-

ment and all papers concerning the expiration of the term of the credit of which so far we had no knowledge either.

We are expecting your reply by April 4 of this year.

Reichsbankstelle  
(2 signatures illegible)

### Defendant's Exhibit 21

April 5, 1932

An die  
Reichsbankstelle Wiesbaden,  
Luisenstr. 21

Wiesbaden.

Referring to the conversation of today's date between your official in charge and Mr. Fritz von Opel, I beg to send you enclosed our chronologically arranged list of the correspondence with the Foreign Exchange Control Office, Frankfurt a/M, and with the Reichsbank. As you might gather from it Geheimrat Dr. Wilhelm von Opel has kept the Foreign Exchange Control Office, Frankfurt, Main, and/or the Reichsbank posted on the matter, because we assumed the matter to come under the jurisdiction of these authorities. All the more so, since we had been referred by Frankfurt to the Reich Ministry of Economics, Berlin, for personal discussions in the matter. Our assumption had been especially confirmed by the fact, that the director of the Office of Foreign Exchange Control, Frankfurt, Main, was *Reichsbankdirektor* Goller; this led us to believe that our entire correspondence was also submitted to the Reichsbank.



On September 9, 1931,

notice was given to the Deutsche Bank and Disconto Gesellschaft, Frankfurt, Main, accompanied by an application for release and reasons therefore (cf. enclosure 1).

1/

On the same day a similar notice was sent to the registration office Berlin (cf. enclosure 2).

2/

On September 17, 1931

the Deutsche Bank and Diskonto Gesellschaft, Frankfurt, Main requested supplementary records for the *Reichsbankhauptstelle* (Main Office of the Reichsbank) (cf. enclosure 3).

3/

On October 26, 1931

Director May of the Deutsche Bank and Disconto Gesellschaft, Frankfurt, Main informed us by telephone that he had forwarded the new supplementary application for release to the *Reichsbank*, and that the latter had forwarded the matter to Berlin for decision (cf. enclosure 4).

4/

On October 28, 1931

Geheimrat von Opel, after consulting Reichsbankdirektor Goller, wrote to the firm of Adler & Co., suggesting to them to waive their right to exercise the option (cf. enclosure 5).

5/

On November 30, 1931

Adler & Co. refused, although Mr. Fritz von Opel made a personal call in Zuerich for the purpose of terminating the contract.

In the last paragraph of the letter, Adler & Co. indicated that they would hold Mr. Fritz von Opel exclusively responsible for the fulfilment of the contract (cf. enclosure 6).

On December 2, 1931

Mr. Fritz von Opel, therefore, had prepared a warrant of attachment in order to be himself secured in case the option was exercised by Adler & Co. (copy of this warrant of attachment of December 2, 1931, is already in your hands).

On December 17, 1931

Adler & Co. exercised the option (cf. enclosure 7).

On December 22, 1931

the already prepared warrant of attachment was executed (copy of this warrant of attachment of December 22, 1931, is already in your hands).

On December 24, 1931

the Schweizerische Kreditanstalt advised us of the blocking of the account (cf. enclosure 8).

This letter, along with other records requested by the Office of Foreign Exchange Control, Frankfurt on Main was handed to said office on January 5, 1932.

As you may see from the above selection of our correspondence with the Reichsbank or the Office of Foreign Exchange Control, Frankfurt, Main we kept both agencies well informed on all developments and were therefore justified in assuming that you, too, had been shown the files, all the more so, since Reichsbankdirektor Goller notified us on December 1, 1931, that "it would be advisable to leave matters pending for the time being" and "that he had informed the Reichsbank Branch Office Wiesbaden accordingly" (cf. enclosure 9).

I would ask you therefore to kindly excuse the oversight, and I shall be glad to furnish any further information you may desire.

Yours truly,

Dr. Wilhelm von Opel  
(s) by Uebel

### Defendant's Exhibit 22

April 14, 1932

An die  
Anmeldestelle fuer Auslandsschulden  
(Office for the Registration of Foreign Debts)  
Kurstreasse 51, II  
Berlin SW 111

Under reference to my yesterday's letter I beg to hand you the filled-in form.

I beg to point out once more that Geheimrat von Opel is at present away on a trip abroad which will last several months and for this reason is unable to comply personally with the order of registration.

Yours very truly

(sgd.) Uebel



(Translated from a photostatic copy of a  
copy of the German original)

To the  
Office for the Registration of Foreign Debts  
Berlin SW 111

*Declaration*

Pursuant to the 2nd executive order to the order of the Reichspräsident concerning the declaration of liabilities payable abroad, I (we) hereby report in 1 enclosure, as specified below, my (our) total foreign debts as of February 29, 1932.

I  
In filling in the forms — followed closely the directions  
we  
of the leaflet.

The statements were made to the best of my knowledge and belief.

Wiesbaden, April 14, 1932

Geheimrat Dr. Wilhelm von Opel  
Wiesbaden  
Steubenstrasse 34

*Enclosures:*

1 copy Group 19 (relations to creditors)  
total 1 copy

Group 19

Liabilities of any kind towards other creditors, as of  
February 29, 1932, not covered by groups 1-18:

Kind	Currency Amount (no decimals, if £ no sh or d).	converted into Reichsmark (no Pfennigs) (see leaflet fig. 20)	due date (s. leaflet fig. 4) month year	Name and residence of creditor	country	branch of business (Bank creditor see Group 18)	rate of interest % (s. leaflet fig. 10)	date for payment of interest (see leaflet fig. 11)
sfrs.	3,500,000.00	2,851,800.00	December 1931	Fritz v. Opel or Overseas Finance Corpo- ration, Zuerich respec- tively	Switzer- land	Patent agent	no interest	







## Defendant's Exhibit 23

Anmeldestelle  
fuer  
Auslandsschuden  
(Office for  
the Registration  
of foreign debts)

Diary No. 10206/90.  
Berlin SW 111, May 9, 1932

Herrn  
Gheimrat Dr. Wilhelm von Opel,

Wiesbaden  
Steubenstrasse 34

With reference to the report submitted to us pursuant to the 2nd executive order to the Order of the Reichspraesident concerning the registration of foreign liabilities, dated March 30, 1932 (Deutscher Reichsanzeiger ((German National Gazette)) No. 75 of March 31, 1932) we beg to send you enclosed a supplementary form to this report, together with copy for your files.

Please return your report within one week, making use of the enclosed franked envelope.

In case there should be no *secured* liabilities towards foreign creditors, a negative report is requested in any case, with a corresponding note and signature.

Anmeldestelle fuer Auslandsschuden:  
(signature illegible)

0-39

[Translated from a photostatic copy of a copy of the German original]

Journal No. 10206  
Trade Group 90An die  
Anmeldestelle  
für Auslandschulden  
(Office for the registration  
of Foreign Debts)  
Berlin SW 111Supplement  
to the declaration  
of my foreign debts  
as of February 29, 1932.

Of the foreign debts declared the following items are secured by securities and/or merchandise:

## I. Declaration of secured liabilities

## II. Declaration of securities

Currency Kind	Amount	Due Date month year	Name and Residence of Creditor
Swiss francs	3,500,000 written obligation	Dec. 31	Fritz von Opel Overseas Finance Corporation, Zuerich respectively

Exact designation of securities or goods merchandise	Name of country in which pledger is domiciled	Name of country where securities are deposited and/or merchandise stored
account with Schweizerische Kreditanstalt in Zuerich	Germany	Switzerland

These statements are to the best  
of my knowledge and belief.Wiesbaden, May 12, 1932 Geheimrat Dr. Wilhelm von Opel  
by order: (initials illegible)

2126







### Defendant's Exhibit 24

#### *Considerations of a personal nature concerning the gift*

My principal purpose in making the gift was to head off threatened increase of the later inheritance tax. Well informed quarters claimed to know of increases contemplated like those once decreed by Erzberger, practically amounting to confiscation in the case of large fortunes) (see the financial situation of the Reich in 1931!)

In the second place it was comforting to me to know that in case of bolshevism etc. I would have a chance to retire to my son Fritz, who would then have been in a financial position to support me by virtue of the gift.

September 19, 1939.

### Defendant's Exhibit 25

Fritz von Opel  
Diplom Ingenieur

St. Moritz, 21 December 1936  
Haus Kalm.

My dear Father,

In Berlin I discussed "usufruct" for two days, in Zuerich "usufruct" for one day. I learned there to my surprise that you got in touch with Dr. Frankenberg from Budapest with regard to the same matter. I am sorry that you should concern yourself with these things even on the eve of a wedding, and I wish to assure you that you may leave those things to me with a good conscience; they are number 1 on my schedule.

When you will be here, I shall tell you all the details. The thing is much more involved than you imagine. There can be no complications, however, since no profits have accrued, let alone been distributed. So you may enjoy Budapest night-life with a wholly carefree mind. This only to restore your ease of mind.

With cordial greetings, also to mama and the Edelsheims

Yours,

(sgd.) Fritz

### Defendant's Exhibit 26

Dr. ing. e.h. Wilhelm von Opel  
Geheimer Kommerzienrat

RUSSELSHEIM, Main  
September 21, 1933

My dear Fritz,

I received your two telegrams. As a precaution 1 and 2/ I am sending you enclosed one copy each thereof with the request to confirm their text. At the same time, I am sending you for your information some written statements I made, viz.:

- 3/ Origins of the gift,
- 4/ personal considerations concerning the gift,
- 5/ reasons for the sale,
- 6/ option agreement.

In the meantime the matter of uncle Fritz, which you know of, caused me a good deal of annoyance. I spoke in detail about it to Margot and I hope she told you all about it.

Margot probably also informed you that my passport was taken away when I arrived in Berlin. I got it back a few days later, so that I could make my trip to the Baltic cities and to Russia. I will tell you more about this trip later; I am not in the mood for it now.

Now, after my return, the matter starts all over again. They evidently always try to construe a connection between our gift and what uncle Fritz did, although no such connection exists. I was interrogated on September 19; I am enclosing copy of the minutes of this interrogation. As you will see from it (see p. 5) I undertook to submit the following documents:

1. original of the option agreement with the entire correspondence;
2. correspondence concerning the negotiations regarding the gold clause;
3. correspondence with you and the attorneys concerning the negotiations regarding the gift contract;
4. documentary evidence of the settlements with General Motors on the basis of the option agreement;
- (p. 2)
5. statements regarding the purchase of the securities;
6. bank statements of the credit balances.

re 1:

Dr. Fleischer told me that the documents requested from General Motors are said to be on the way. Nevertheless, please inquire at the office of the General Motors.

re 2:

There must be some telegrams from us at General Motors regarding this matter. At any rate some sent from



London by Mr. Mooney to Mr. Sloan or Mr. Smith. It may be that the telephone conversations we had concerning the gold clause were noted in the General Motors files, although I don't know how such things are handled in America.

re 3:

8/ I asked Dr. Hachenburg by telephone already yesterday to send me immediately a copy of his draft of the contract. I just got the enclosed draft of the contract from Hachenburg.

Dr. Faust already handed the original of Dr. Hachenburg's letter to the Fahndungsstelle (Search Office). I am going to supplement the record of my interrogation regarding this matter since I did not know that when I was questioned.

But let me know once more how things were done at the time. As I said above, I have asked Dr. Hachenburg to send me a copy of that letter, which, as Dr. Faust claims, is dated October 3, 1931. Dr. Faust claims also that there was some talk in this letter not only of a holding company but also of a gift, and that, as far as he remembers, even the draft of a gift contract was attached to it. He said also that Hachenburg had subsequently sent this letter to Ruesselsheim—following a discussion he had with you. The gentlemen believe we had consulted other attorneys as well; the minutes will show you what I remember of the matter.

re 4:

The Adam Opel A. G. has asked General Motors to send their documents concerning the settlement which was made with them on the basis of the option agreement. Take a look there at the documents they are going to send. But send me your own documents, too, which you got from the bank. The gentlemen are surprised to learn that the bank handed you the things without any further written instructions (p. 3) from me. Or did I give you power of attorney? You left in such a hurry at the time because we were afraid of a devaluation of the mark, and wanted to prevent enormous losses.

re 5:

Actually, this point is already covered by item 4. The gentlemen want to have the original communications to you, because they believe that the whole matter had gone through my hands.

re 6:

The gentlemen believe that you did not exchange the shares immediately, but at some later date, so that you would have had a credit balance at the bank.

As far as I can see, the present problem is this: The authorities charged with the investigation presume that brother Fritz and I had had an understanding of the whole transaction beforehand and had done everything by mutual consent.

In the case of brother Fritz they presume in particular that the contract he made with Hans was fictitious. They then assumed that I had done the same thing. They endeavor to prove this especially by alleging that the negotiations with America after the gift was made were not conducted by you and in your name and account, but by me.

I was provoked at the sarcastic tone in which the gentlemen questioned my promise to submit the originals of the desired documents. I would therefore appreciate your assistance and ask you to send me the documents as soon as possible; they will bear me out in what I have said, and I want to get the matter out of my head. So, please, send me, if possible, all the originals, without exception. We have got nothing to conceal and it will only be to our advantage to put all our cards on the table.

Maybe the letter of which you notified me by your cable of the 17th contains already some of the desired details. If you did not enclose the originals, please send them now; for they will be required here in every case.

With cordial greetings to Margot and yourself,

Your

(sgd.) Father

**Defendant's Exhibit 27**

((Hungarian telegram form))

70

Telegram

PREUSSISCHE JUSTIZMINISTER  
BERLIN

Just learned that important decision in my case is imminent there stop Am interrupting my stay here stop Arranged for conference Frankfurt authorities Tuesday May 22 stop My son's capital is working for Germany since retransfer was always matter of course for us. Shall cause my son to advise you how long it will take to wind up his American investments for purpose of retransfer.

[dispatched about May 17, 1934]

**Defendant's Exhibit 28**

Manfred Wronker/Flatow  
Attorney

Wiesbaden, March 16, 1931  
[Rosselstrasse 7]

I, the undersigned attorney, Manfred Wronker-Flatow, acknowledge having received from Geheimrat Dr. ing. h. e. Wilhelm von Opel a loan of 20,000.00 Dollars. Interest thereon is to be paid at the end of each period at the Reichsbank discount rate current at that time beginning on April 1, 1935; for the first time on July 1, 1935. Repayment is to be made by 10 annual instalments of \$2,000.00 each (two



thousand Dollars United States currency) beginning on April 1, 1936; first instalment payable on April 1, 1936; for the consecutive years likewise on April 1. As collateral serve the life insurance policies which I have taken out in favor of my wife with the Iduna Life Insurance and with the French Life Insurance L. Urbaine in the amount of RM 40,000.00 respectively Francs 125,000.00, which will become payable, except in case of death, in the years 1947 respectively 1948. My wife Alexandra Wronker-Flatow, nee Manzel, recognizes by her signature this agreement as also binding for herself.

sgd. Manfred Wronker-Flatow  
sgd. Alix Wronker-Flatow

---

**Defendant's Exhibit 29**

New York, March 8, 1937  
123 W. 57th street

Dear Geheimrat,

First of all I have to apologize for my long silence. I was never before aware how difficult it is to write letters in which one is compelled to admit being unable for the moment to live up to obligations previously incurred.

You, dear Geheimrat, know that I incurred these obligations under circumstances which seemed to guarantee that I would be able to meet them. In spite of the most successful pioneer work (p. 2) for G.M. and the Opel firm, I have been deprived without any fault on my part of the very foundations of an arrangement, when things took a turn which no sensible and intelligent man could have been expected to take into consideration. Now after fifty years of most strenuous work and of great success I find myself with my wife in a more and more exhausting struggle to

earn a living and enough money to support and educate our six children.

To be forced in such times to write about repaying sums of money which are entirely out of proportion to my present situation is paralyzing to such a degree that one postpones it again and again hoping to be able to write something positive. The delay has become unduly long, and I am sincerely grateful to you (p. 3) for not having doubted my good will to pay my debt in spite of my long silence which would have been incomprehensible under normal conditions.

In the last three years full of work and worry, which are now behind us, I hope to have laid the foundation of an organization which in 1937 ought to yield enough to enable me to start redeeming my debt. *I am confident to be in a position to submit to you positive proposals in 1937*, probably during the next six months and would be very grateful to you for having patience until then in view of the prevailing circumstances which were brought about through fault of my own.

Please rest assured that although everything I had built up (p. 4) in decades has been destroyed, and in spite of all obstacles and all difficulties which often seem insurmountable, my intention remains unshaken to meet liabilities which I incurred in good faith.

Since my health has so far withstood all the hard physical and mental trials and tribulations and the constant climatic and other changes, I have not given up hope that there will still be a way out of all this darkness.

My wife joins me in sending you our kindest regards and compliments, which we beg to convey to Mrs. von Opel, too.

With our best wishes for your personal welfare.

Yours very truly,

(sgd.) M. WRONNER-FLATOW

## Defendant's Exhibit 30

June 2, 1932

Dr. Manfred Wronker-Flatow,  
Adam Opel A.G.,  
Russelsheim a.M.,  
Germany.

Dear Doctor:

In connection with the tax situation, I have had several interviews with Fritz von Opel and his father, the Geheimrat. According to the Geheimrat, he never received my cable of October 30, 1931, accepting his proposition to retain one-half interest in his stock against a guarantee for its then substantial value payable in gold. You will recall that this matter was the subject of a long discussion between you and Mr. Mooney on the one hand, and the Geheimrat on the other, during the time that Fritz von Opel was negotiating with me in New York.

At the time young Fritz was very violently opposed to his father's proposition; in fact, this opposition was one of the reasons why he wanted to return to lay them before his father in person. When we arrived in Russelsheim and the matter was discussed, I was led to believe that young Fritz had dissuaded his father from going ahead with the proposition to retain one-half interest. Upon learning this position, I cabled New York that the payments for the stock would be made in accordance with the notice served on us by young Fritz when he arrived in New York.

The inexplicable thing about the whole transaction is that the Geheimrat now claims that he never knew that his proposition was acceptable to us, or that in fact it had been accepted by us. In other words, not only does he claim that he never received the cable accepting the proposition, but inferentially it follows that young Fritz never told his father that the proposition was acceptable to us or that I



had dispatched the cable of acceptance. Of course he was familiar with our position and with the fact that we telegraphed acceptance.

In the meantime the tax situation has arisen. How much effect this has on the Geheimrat's recollection of the transaction, I can not do more than guess. I gathered from his statement the other day, though, that he would have very much preferred to have had the transaction proceed along the lines of his offer to retain one-half of his Opel Stock. I told him so far as we were concerned, we would be willing to go back to that basis on the assumption that a mistake had been made. Such a procedure would put both parties back where they were, and doubtless would give the seller a good tax defense; but the difficulty there is that this would involve the repayment of the money paid by General Motors. So this was deemed an insuperable objection on their part.

They had proposals whereby the real transaction of purchase and sale would be screened by nominal agreements which would be nothing but mere paper transactions. For example, it was proposed that we should sell back the interest acquired. This would enable the Opels to take the position that they were the legal owners of the stock. In their judgment this would help them considerably with the German tax authorities. Simultaneously they would give us agreements to sell us the stock at any time for a return of the consideration to be paid by them; but as the consideration was not a real consideration, the whole transaction would be a mere cover and sham to which we could not be a party. In other words, we can not go through the form of selling the shares, and at the same time, as a matter of fact, own them.

It's a pity that this phase of the tax liability was not more thoroughly canvassed at the time that the stock was put to us last fall. At that time young Fritz seemed to be entirely sure of his ground, and of course so far as we were concerned, we had no option except to purchase upon demand

in accordance with the terms of the contract. Having so purchased, there is no alternative for us except to treat it for what it really is. The only exception would be in the event of a real transaction by which we were to become divested of our ownership in a real, as distinguished from a fictitious way.

In regard to the matter of arbitration, I have sent to the Geheimrat today at his hotel, the draft of contract as proposed by you. In all probability as he is sailing on the 6th, he will want to consult with his German counsel. In any event, I would suggest that upon his arrival in Germany you take the matter up and have it brought to a final conclusion.

Very truly yours,

General Counsel.

JTS:Hr

### Defendant's Exhibit 31

#### TRANSLATION (Excerpt)

*Executive Order of the Reich President  
Concerning Foreign Exchange Control*

*of August 1, 1931*

[Reichsgesetzblatt 1931, I, pages 421-425]

§2

(1) Foreign currency and claims payable in foreign currency may be acquired for German currency only by or through the Reichsbank and may be transferred only by or through the Reichsbank.

(2) Such acquisition requires a license in writing of the Office of Foreign Exchange Control. A license shall be granted where the foreign currency or the claims payable in foreign currency are intended to be used for the payment of interest or for recurring amortization payments on long-term credits.

(3) The Reichsbank may grant to other banks the right to acquire or transfer foreign currency or claims payable in foreign currency either for the account of the Reichsbank or for their own account. Para. (2) shall apply where a party acquires foreign exchange or claims payable in foreign currency from or through such a bank, except where the purchaser is itself such a bank and acts within the authority granted to it by the Reichsbank.

(4) The term "acquisition" shall include acquisition by way of execution.

### §3

Foreign currency or claims payable in foreign currency which have been acquired otherwise than in accordance with section 2 may be transferred only under a license in writing of the Office of Foreign Exchange Control, except where such assets are sold to the Reichsbank or one of the banks provided for in section 2, para. (3).

(4) Foreign securities not listed on a German stock exchange may not be acquired for a consideration except under a license in writing of the Office of Foreign Exchange Control. Foreign securities not listed on a German stock exchange may be transferred only under a license in writing of the Office of Foreign Exchange Control, except where the securities are sold to the Reichsbank or one of the banks provided for in section 2, para. (3).



## §4

Foreign securities not listed on a German stock exchange may be acquired for a consideration only under a license in writing of the Office of Foreign Exchange Control. Foreign securities not listed on a German stock exchange may be transferred only under a license in writing of the Office of Foreign Exchange Control, except where such securities are sold to the Reichsbank or one of the banks contemplated by section 2, para. (3).

## §8

1. "Currency" for the purposes of this Order shall mean species of money (coins, paper money, bank notes and the like), foreign payments [*Auszahlungen*], remittances [*Anweisungen*], checks and bills of exchange.

2. "Claims payable in foreign currency" for the purposes of this Order shall mean claims which entitle the creditor to payment in a specific foreign currency. The term "claims payable in foreign currency" shall not include foreign securities as well as claims in foreign currency arising from contracts of insurance made before July 15, 1931.

3. "Foreign securities" for the purposes of this Order shall mean securities issued by a person or entity that is domiciled or has its place of management in a foreign country or in the Saar Territory.

4. "Precious metals" for the purposes of this Order shall mean gold and silver, platinum and platinum metals in the forms customary in the trade with such metals.

## §12

Any transactions which violate any of the provisions of sections 3 to 11 are void.

## §15

(1) The Government of the Reich may order that foreign currency, claims payable in foreign currency and foreign securities not listed on a German stock exchange and acquired after July 12, 1931, shall, within a period to be determined, be reported or tendered and, upon demand, sold and transferred to the Reichsbank in accordance with its general business conditions. Section 2, para. (3), first sentence, shall apply.

(2) In issuing such an order the Government of the Reich may in its discretion designate the categories of persons to whom the Order shall apply. The duties which shall be imposed by such an order upon the owner of a reportable asset shall also be complied with by anyone who holds such an asset as belonging to him or who, through a fiduciary or a business corporation or partnership or in some other manner, exercises the power to transfer such asset. Anyone required to comply with the duties of a taxpayer under the rules of the Reich Revenue Code, especially sections 103 et seq., is also required to comply with the duties as defined by such an order of the Government of the Reich. The Government of the Reich, may, moreover, designate the assets to which such an order shall apply, according to currency, minimum value of individual holdings, or other criteria which it may deem appropriate.

## §18

(1) Any person who deliberately

1. in violation of section 2 acquires or alienates foreign currency or claims payable in foreign currency against German currency;

2. in violation of section 2 acts as an intermediary in the acquisition or alienation, for German currency, of foreign currency or of claims payable in foreign currency;
3. violates any of the provisions of sections 3, 4, 6, 7;
4. sells or acquires foreign currency or claims payable in foreign currency at a price higher than the price permitted under sections 9 and 10, or acts as an intermediary in such a transaction;
5. enters into future transactions concerning foreign currency or claims payable in foreign currency or precious metals in exchange for German currency, or acts as an intermediary in such a transaction;
6. fails to comply in due time and/or due form with an order issued by the Government of the Reich under section 15

shall be punished by imprisonment or, in especially serious cases, imprisonment with hard labor not exceeding 10 years, as well as a fine not exceeding the tenfold value of the currency, the claims payable in foreign currency, the securities or the precious metals with regard to which the punishable act was committed.

(2) Where any of the acts defined in para. (1) was committed negligently, a fine only shall be imposed. In case the fine is not collectible, imprisonment shall be ordered.

(3) The punishment defined in para. (1) shall also be imposed on anyone who deliberately abets or encourages



another to do an act punishable under section 1, or who offers to do such an act for another.

(4) In addition to the fine, the assets with regard to which the punishable act was committed may be confiscated on behalf of the Reich, even if they do not belong to the principal or an accessory. Confiscation shall not take place if the person affected thereby proves that he neither knew nor was in a position to know that such act was punishable and, in addition, that he derived no advantage from that punishable act. Where confiscation proves to be not-feasible, the court may then order the confiscation of the equivalent in money. In determining the value of foreign currency and the claims payable in foreign currency, the average rate of exchange, computed according to the provisions of this Order, as of the date of the prohibited act, shall be used. In order to secure payment of the fine or collection of the forfeited assets, the property of the accused may be seized either in part or in its entirety.

### Defendant's Exhibit 32

The District Court

Wiesbaden, 22 of May 1948

Present: Gegenwartig:

Justizinspektor Gocke  
als Rechtspfleger

No one appeared before the Judge at the date determined for the opening of the last will of the couple Wilhelm von Opel and Marta geb. Baile, Wiesbaden.

The Death Certificate showing that the testator died on May 2, 1948 is to be found in the files. Miss E. Esklony already submitted before an envelope showing on the outside the following statement:

"Our last will—now valid—November 20, 1938."

It was established that the envelope was not mutilated. The envelope was opened and the joint will of the couple including three codicils taken out of the envelope. The last will including the three codicils was declared opened with the exception of a certain part designated by red parenthesis. The will is dated Wiesbaden, November 20, 1938. It begins with the following words:

"Unter Aufhebung"

and ends with the words:

"Tochter angeordnet"

The codicils are dated Wiesbaden May 9, 1942, February 26, 1945 and December 10, 1946: They begin with the words:

- a) Da unser Sohn
- b) In §7
- c) Die verheiratheten

They end with the words:

- a) Mainzer Strasse No. 55
- b) kummerte
- c) ausser Kraft gesetzt

Opened Wiesbaden, May 22, 1948, District Court 4a.

---

### JOINT WILL

In abandoning all previous last wills, we provide the following after making this statement: We married under the law of "Katzenellenbogener Landrecht", which by the provisions of the German's civil code have been trans-

formed into "community of the earned property". For the purpose of clarifying the condition of our property, we state the following:

1. — — —

2. Both spouse did not bring any property into the community.

3. Therefore all of our property is to be considered as community property.

I, the husband, appoint as my preliminary heirs (contingent on death of preliminary heirs):

—1. Our son Fritz 1/2

2. Our daughter Elinor 1/2

§2.

We appoint as heirs, succeeding our daughter Elinor, her issue and if she shouldn't have any issue our son Fritz and substituting him his issue.

Our son Fritz shall be a preliminary heir (contingent heir) free from any limitation as far as he can be free under Section 2136 of the Civil Code.

The heirs succeeding our son Fritz under this appointment, shall take Fritz' place only if our son Fritz should not provide otherwise by will. We assume that our son, if he should die without children, will give one-half of his property to an endowment to be designated by him.

§3.

The estate of each of us shall remain undivided for a period of ten years after the death of the surviving spouse.



If my wife should die before I die, I shall act as an executor of her will and administer her estate with the right to appoint our son Fritz as co-executor. After my death, our son Fritz, shall administer my estate as well as the estate of my wife. He might appoint a co-executor or designate a successor or appoint someone else in his place as executor until such time as he recalls such appointment. If I should die before my wife, the community property shall remain undivided and shall be administered by our son Fritz until the death of my wife. For this purpose our son Fritz was given power of attorney to be considered irrevocable which becomes effective at the moment of the date of my death (the husband's death). The power of attorney does not authorize any disposition of the real property in Wiesbaden, Steubenstrasse 34 and Schwalbach "Sonnenhof".

#### §4.

If our daughter Elinor should exercise her eventual right to claim a compulsory share she or her issue are to be credited with the amount of 500,000 Reichsmark, plus 5% interest given to her as endowment at her wedding. This amount is to be included in her share of the estate or in her compulsory share. The same rule applies in regard to the current gifts given to our daughter Elinor up to this time. Our son Fritz or his issue is to be credited with a gift of six-million par value shares of the Adam Opel A.G. given to him by gift contract of October 5, 1931. This gift is to be included in his share of inheritance in accordance with the provisions included in the gift contract referring to the equalization in case of distribution of our estate. However, in agreement with our son Fritz there shall be the following supplement: If the property given to our son Fritz as a gift should be put into a holding company, the valuation of the gift shall be determined by the tax balance sheet of the holding corporation. However, the value should not exceed ten-million Reichsmark.

This gift shall, however, not be added to the estate for the purpose of supplementing claims for compulsory shares in the estate.

## §5.

The income of the estate of my wife shall go to me (the husband) as long as I live. The proceeds of my estate during the lifetime of my wife shall go—50% to my daughter Elinor and 50% to my son Fritz. After the death of both of us the net proceeds of both estates shall be divided as follows: 50% to my daughter Elinor and 50% to my son Fritz. Because of the behavior of our daughter Elinor to us and because of her way of living not being approved by us, we determine that the net proceeds to be actually paid to her shall not exceed per annum, 30,000 RM. However, this limitation shall be stricken if our daughter during the lifetime of both of us, should permanently renounce her present surrounding and should for this reason acquire pardon of both of us. After the death of our daughter her issue has a right to claim the payment of an amount sufficient for their livelihood and education in accordance with their social standing. In finding the needs of the issue of our daughter Elinor, their own property and their claim against persons obliged to take care of them are to be considered.

In the distribution of the estates, payments made before such distribution are to be accounted for.

If one of our children should reject his share in the estate,

## §6.

the other child shall substitute him. If one of our children, at the death of one of us, should demand her compulsory share, such child shall only get the compulsory share from the estate of the other spouse. The same rule shall apply

for the issue of our children in the case our children shall pre-decease us. If bankruptcy proceedings should be started over the estate of one of our children or if the share of one of our children in the estate should be levied by a creditor or otherwise vested, such child shall be given only the compulsory share in both estates.

§7.

I, the husband, hereby provide for the following legacies on behalf of employees working in our house in Wiesbaden at the time of my death or working at the same time in my office in Russelsheim:

1. The house servants shall be given 150 Reichsmark for each year for which they are employed in our house.
2. The chauffeur and the office personnel shall be given one month's salary for each year they worked with me—each beginning year should be considered as a full year. However, no person shall obtain more than 10,000 Reichsmark.

§8.

We, the couple, hereby establish the following endowments which become effective at the death of the husband:

1. The amount of 100,000 Reichsmark should be used for the purpose of establishment of an endowment under the name "Wilhelm von Opel endowment", in favor of employees working at least 50 years with Adam Opel, A.G. The interest of the endowment capital shall be used for the purpose to take care of the cost of two annual trips of the employees, 50 years with the firm, and one social meeting of them in Rus-



selsheim. The remaining part of the interest shall be used for the purpose of supporting employees longer than 50 years with the firm provided they are in distress. The endowment is to be administered by the management of Adam Opel, A.G. The management shall take care of the establishment of the endowment.

2. The amount of 750,000 RM (however not more than 5% of our community property) shall be given to an endowment called "Wilhelm von Opel Hospital". The endowment shall be used for the purpose of building a hospital in Russelsheim. This endowment, however, is given with the contingency that, at the time of my death, the plant at Russelsheim continues to operate under the style "Adam Opel". Furthermore the endowment is given under the contingency that the municipality of Russelsheim and the firm Adam Opel, A.G. guarantee the maintenance of the hospital. Firm and municipality shall jointly administer the endowment; however, the consent of our son Fritz is to be called for before important questions are to be decided. If the establishment of a hospital appears to be unadvisable, our son is authorized to designate the endowment for another purpose but it is understood that the endowment shall be used for the building of a house in Russelsheim appearing under the name "Wilhelm von Opel". If a building worthy of the memory of the founder and of permanent cultural significance cannot be established, the endowment shall be recalled. Furthermore the endowment is to be recalled if I should establish a hospital or another building for similar purpose during my lifetime.

I, the husband, retain the right to distribute by codicil a further amount of 100,000 RM.

This will stated above shall be also my will.

We desire to mention that we do not deprive our daughter Elinor of any share in our estate in spite of her letters written in the spring of this year. In these letters she very seriously harmed us, wherefore we would have been entitled to deprive her of any share in pursuant to the statutory provisions of Section 2333 BGB. If our daughter Elinor would not have failed so completely we would have provided in favor of her for even more far-reaching equalization for the gifts made to our son.

Wilhelmsruh, A.M. d. 20 Nov. 1938

GEZ. MARTA VON OPEL, GEB. BADE

“ DR. WILHELM VON OPEL

### CODICIL

Opened by the District Court 4a, Wiesbaden, May 22, 1948.

Since our son Fritz is at present abroad we would like to provide for the case that he might be temporarily prohibited to actually perform the tasks of an executor entrusted to him. The supplement of joint will is as follows:

We appoint as further executors:

Herrn Alwin Steffan, geboren am 30 Juni 1891,

Bankier Frankfurt a. Main, Neue Mainzerstrasse Nr. 55

GEZ. DR. WILHELM V OPEL

Wiesbaden 9 May 1942.

Opened Wiesbaden May 22, 1948, by the District Court, 4a gez. Goßke, Justizinspektor als Rechtspfleger.

## CODICIL

In §7 of our Will of November 20, 1938, legacies are provided. This provision is hereby changed as far as the legacy on behalf of our Chauffeur Berg is concerned. In finding the amount to be paid to him, the period of his military service shall not be included because he did not take any interest in us or in our interests during his several furloughs.

GEZ. DR. WILHELM VON OPEL  
" MARTA VON OPEL

Wiesbaden, February 26, 1945

## CODICIL

Opened by the District Court, Division 4a,,  
Wiesbaden, December 10, 1946

Changed and distressed conditions compel us to our sorrow to strike the endowments provided for by paragraphs 8 and 9.

8. Provides for the endowment on behalf of employees of Adam von Opel A.G. in Russelsheim who stayed there longer than 50 years and the establishment of a hospital in Russelsheim.
9. Refers to our joint legacy of 100,000 RM, to be given by each of us.

This provision is hereby stricken.

GEZ. MARTA VON OPEL, GEB. BADT  
" DR. WILHELM VON OPEL

Wiesbaden, d. 10 Dec. 1946



## Defendant's Exhibit 33.

(LETTERHEAD OF  
CITY BANK FARMERS TRUST COMPANY)

New York, October 20, 1931

Mr. John Thomas Smith, Vice President,  
General Motors Corporation,  
57th Street & Broadway,  
New York, N. Y.

Dear Sir,

Referring to your inquiry of our Mr. Pratt regarding the registration of 47625 shares General Motors Corporation Stock which you are to deliver to us for the account of Mr. von Opel, we wish to advise you that our nominee in whose name these shares are to be registered is King and Company, 22 William Street,

Very truly yours,

(sgd.) H. D. SAMMIS.

H. D. Sammis,  
Vice President.

**Defendant's Exhibit 34**

Drs. J. & E. Henggeler  
Dr. Otto Schuppisser  
Dr. H. Widmer  
Attorneys  
Zurich.

Zurich, January 5, 1935

Mr. Baron Fritz von Opel,  
Villa Kulm,  
St. Moritz

My dear Baron:

While Dr. Henggeler is away the Tax Office of the Canton sent a letter on December 29, 1934 as per copy enclosed. Dr. Henggeler will return from his vacation about the middle of January and will then deal with the matter.

A copy of the letter from the Tax Office will be sent to Dr. Frankenberg for his information.

Very truly yours

1 enclosure as mentioned.

## Defendant's Exhibit 35

Drs. J. & E. Henggeler  
Dr. Otto Schuppisser  
Dr. H. Widmer  
Attorneys  
Zurich

Zurich, December 27, 1934.

Baron Fritz von Opel,

Dear Baron,

The city council of St. Moritz maintains a very unsympathetic attitude towards the request of the 18th inst. of which you know, in contrast to the assurances previously given when your name was not stated. This becomes evident in their letter of the 21st inst. copy of which is enclosed and answer of which was delayed because of the holidays. The reason for this attitude on the part of the city is apparently that the gentlemen of the city council entertain much too great an illusion in regard to tax opportunities of the city as they are well aware of your financial situation and the size of the estate inhabited by you.

For the time being I replied as per enclosure; I kept it non-committal. I will contact mayor Natter by telephone. Especially the point that you are staying in St. Moritz only a relatively short time each year while the taxes are paid for the entire year, should be stressed. It will also be necessary to make a *definite* arrangement regarding the tax payments. Unless this is done, a request for residence permit seems to be useless since you would merely be continuously subjected to new taxation attempts.

Personally I hold the opinion that the matter should not fail on your part because of tax payment of a few hundred francs more or less, since a residence permit in connection with permanently rented real estate entails great advan-



tages. In the event, however, that the city council should persist in its views in every respect, I would advise you to drop the request. Should you still desire to have a Swiss residence, application for such can be made at much more favorable conditions and at smaller tax rates in other cities, as for instance on the Lake of Geneva. The provision that you or your wife would have to spend some weeks every year in a hotel at that residence, should be fulfilled without great difficulty. I shall transmit copy of this letter and of the letter of the city council to Dr. Frankenberg for his information.

With best regards,

yours respectfully,

Dr. J. Henggeler

Enclosures:

1 passport  
copies of the letter of the city council St. Moritz  
and of my reply.

### Defendant's Exhibit 36

0-106

*Copy*

Copy of letter of November 10, 1945.

My dear father:

I hope that you will soon be interrogated by the American authorities regarding the usufruct matter. In America it is customary that counsel is present during such negotiations. You must insist on this, particularly since you were

not present during the negotiations of Dr. Gros with the Reichsbank. We have learned from personal experience, although we speak English fluently, how difficult it is to express oneself correctly in a foreign language as far as legal matters are concerned, or even to understand questions and their true meaning correctly. Moreover, the worries and the hardships of recent years have certainly not improved your nerves, and it will not be easy for you to concentrate under stress and excitement.

I am therefore making the following very important suggestions:

1. Draw up in cooperation with Dr. Gros a detailed memorandum on the usufruct matter. Attach to this memorandum authenticated copies of all affidavits and other documents for which I asked you in my letter of October 18. Submit this memorandum and the documents to the authorities who are interrogating you.

2. Your English is very poor, which may lead to grave misunderstandings and result in the most serious consequences. I quote as an example the interview which you are alleged to have granted to an American reporter, and which has caused the most unpleasant sensation in American and French newspapers.

Don't be sensitive on this point and admit frankly that you don't speak English fluently, and request at the beginning of the interrogation that all questions be put to you in German and that you may answer them in German only.

3. It is not customary in America to have the transcript signed by the interrogated. It is therefore very easily possible that through misunderstandings and mistakes in translation an incorrect transcript is made. Don't, therefore, go into lengthy speeches and explanations, but have the thoroughly prepared memorandum in German at hand, which covers all questions and to which you can always refer in the interrogations.

4. It is the accepted custom in America to bring along legal counsel to negotiations of this kind. I would urgently advise you to take Dr. Gros along, particularly since you did not take part in his negotiations in Berlin regarding the usufruct matter. In America nobody ever takes a step in such matters as these without legal counsel. It would be very foolish if you did otherwise.

You may consider the above arguments as far-fetched, but the matter is too important to be left to chance. There is no equivalent in English law for the German "Nießbrauch". The English term "usufruct" (an abbreviation of the Latin "usufructum") denotes something entirely different, viz. a right "in rem". In German law, however, a "Nießbrauch" must be created, and even such a right once created, may be destroyed by "confusion and accession". All that remains is not a right "in rem" but a right "in personam". From the wrong translation or interpretation of this one word, the most serious difficulties have resulted in my case. You can avoid the risk of such wrong translations or interpretations only by keeping strictly to a memorandum written in German.

Enough for today. With cordial greetings for you and Mama,

Yours -

sgd. FRITZ



## Defendant's Exhibit 37

Adler &amp; Co., Bankers

Zurich, April 15, 1931  
St. Peterstr. 16Herrn  
Diplom-Ingenieur Fritz von Opel  
Leopoldslei 85,  
Brasschaet b/Antwerpen

Dear Sir,

We confirm the discussions which we conducted with you in matters concerning the Overseas Finance Corporation Limited, and repeat in the following the agreements concluded between yourself and our firm, acting at the same time as representatives of the Overseas Finance Corporation Ltd.

We hereby grant to you the right to buy from us on or before November 15, 1931, par value *sfrs.* 300,000.00 shares of the Overseas Finance Corporation Ltd.—viz. 60% of the stock capital—at the rate of 125%, if upon exercising this option you open a credit in the amount of *sfrs.* 3,500,000.00, for 2 years, in favor of said corporation. This credit is to be used for the acquisition of various patents and participations; in particular, it is also intended to be used for financing the commercial exploitation of patents in your own possession:

Interest on this credit is to be paid to you at the current lending rate of the Schweizerische Nationalbank. Moreover, Overseas Finance Corporation Ltd. assumes the obligation to allow you for the entire term of the credit a share of 25% of its net profits before distributing a dividend to its shareholders.

On the other hand, we have agreed that we are entitled to tender to you, on or before December 31, 1931, the above mentioned shares of the Overseas Finance Corporation of *sfrs.* 300,000.00 par value at the rate of 105½%. In this

case, too, you will assume the obligation to grant to the Corporation a credit of sfrs. 3,500,000.00 but for one year only. The credit is to be used in the same way as stipulated above, however, excluding the additional participation in the net profits as agreed upon for the first alternative.

If and when you exercise your right of option, respectively when we exercise our seller's option on the shares you will be entitled to 2 seats on the board of management of the Overseas Finance Corporation Ltd., while at least one seat must be reserved to represent the minority. You further assume the obligation to make available to us your advice and assistance as circumstances may require.

You promised us to furnish a declaration of guaranty by your father, Geheimrat Wilhelm von Opel, for the fulfillment of your obligations resulting from this agreement.

Anticipating your confirmation we remain,

Yours very truly,

Adler & Co.  
Kommandit-Aktien-Gesellschaft  
(signature illegible)

### Defendant's Exhibit 38

Fritz von Opel  
Dipl. Ing.

Brasschaet, April 27, 1931

Messrs.

Adler & Co., K.-A.-G., (Kommandit-Aktien-Gesellschaft)

Bankers

Zürich

Thereby confirm our oral negotiations, particularly your letter of April 15, 1931, the contents and stipulations of which I fully agree to and accept.

Let me inform you on this occasion that I have already communicated with my father and that he is willing to make the payment of the sfrs. 3,500,000.00 in question. He is already holding in readiness for that purpose at the Schweizerische Kreditanstalt in Zuerich a sum of money of approximately the same amount.

Without anything further for today I remain with kindest regards

Yours very sincerely,

sgd. FRITZ VON OPEL

### Defendant's Exhibit 39

Deutsche Bank und Disconto-Gesellschaft  
Filiale Frankfurt (Main)  
Foreign Exchange Department

(Devisenabteilung)

Frankfurt (Main) September 17, 1931

Herrn

Geheimer Kommerzienrat  
Dr.ing.h.c. Wilhelm von Opel

Wiesbaden  
Steubenstr. 34

Subject: Third series of rules and regulations implementing the executive order of the Reichspräsident concerning the Control of Foreign Exchange, dated August 29, 1931.

We are in receipt of your report of the 9th inst. regarding the above matter, and after consulting the Reichsbankhauptstelle (Main Office of the Reichsbank) ask you here-



with to state the date of the conclusion of the contract and to deliver into our custody the original contracts or certified copies thereof. The documents will be returned to you after your report has been disposed of.

At the same time, we beg to call your attention to the fact that in view of the special character of your case it will probably take more than ten days to arrive at a decision.

Anticipating your reply, we remain

Yours truly,

Deutsche Bank und Disconto-Gesellschaft  
Frankfurt (Main) Branch

(sgd.) illegible

(sgd.) illegible

### Defendant's Exhibit 40

Reichsbankstelle [Reichsbank Branch]

Wiesbaden, October 22, 1931

Herrn

Dr. Wilhelm von Opel  
Geh. Kommerzienrat  
Wiesbaden  
Steubenstr. 34

(Ober  
Inspektor  
Ludwig  
Frankfurt)

(Inspektor  
Katz  
Wiesbaden)

The Devisenbewirtschaftungsstelle (Office of Foreign Exchange Control) issues licenses for the acquisition of for-







eign exchange, if proof is submitted that the proposed business trip is justified from an economic point of view. We are therefore not in a position to allow you to keep the small amounts of foreign exchange mentioned in item 2 of your return and request you to deliver the same to us without delay, with the exception of silver coins.

A transfer on your part, of your credit-balance No. 1 of sfrs. 9,364.90 to your son, who is living abroad is possible only with the permission of the Devisenbewirtschaftungsstelle (Office of Foreign Exchange Control) Frankfurt/Main. Your application for release can be approved by us only if you produce a license issued by that Office and then only in an amount required for about 10 days.

Regarding the bank balance of

sfrs. 3,845,000.00

in Zurich which you also reported we wish to state that use of that sum for the purchase of shares of the Overseas Finance Corporation and for a loan to said company is also only possible if permission of the Devisenbewirtschaftungsstelle (Office of Foreign Funds Control) Frankfurt/Main is obtained.

We are returning the documents you sent us and leave it to you to contact the Devisenbewirtschaftungsstelle Frankfurt/Main immediately and submit their decision to us. We will then reply to your application for release.

Reichsbankstelle

(sgd.) 2 signatures illegible

(It is necessary for Mr. Fritz von Opel to confer personally with the Devisenstelle Frankfurt/Main (Reichsbankdirektor Goller). Possibly with the Reichswirtschaftsministerium Berlin. As agreed, the Devisenstelle and Reichsbank will wait until then (middle or end of next week).

(sgd.) FAUST

November 6, 1931)

## Defendant's Exhibit 41

013 Wire DEUTSCHE REICHSPOST Dec. 19, 1931  
 113 antwerpen 02050 19/18 19/22 1147  
 O P E L Steubenstr. 34 Wiesbaden

= Adler has exercised option overseas demands making  
 available the credit please arrange remittance cable advise  
 greetings fritz—

## Defendant's Exhibit 43

## MEMORANDUM

It is—and always was—our wish to cooperate to the fullest extent with the authorities regarding the investigation of Mrs. von Opel and myself, this in spite of the most severe handicap, namely the fact that we are not only not accused of anything, neither in detail nor in general, but are simply left guessing as to what part of our lives led the authorities to a misinterpretation.

As we feel not only innocent but, in fact, more antinazi than most Americans who lack any personal experiences, our wish to contribute whatever we can to an investigation is very natural: we are convinced that the deeper and the more thoroughly the authorities look into our personal lives and activities, the sooner they will realize that we always have been and always will be on the side of justice and decency.

Every American is, down to his very core, American. This country—at least for the last three or four generations—was spared any internal strife, it was not shaken in its foundations by wars, revolutions and counter-

revolutions, by separatist movements or by devastating inflation such as threw the culture-bearing German middle-class into the gutter.

This country—through its whole history—followed a straightforward course towards liberty of the individual and towards the improvement of its economic standards: *it always was easy for Americans to be American, for the simple reason that the nation as a whole and the single individual always had—at least in the basic concepts—identical aims.*

The natural easiness with which an American can identify himself with his government causes every American, quite subconsciously, to assume that natives of all other nations too have the same inborn relation to their governments. They overlook the fact that government "by the people for the people" is strictly limited to American shores, and that in other nations, at least minority groups are in constant basic discord with their government.

This inborn patriotism of every American makes it difficult for him to understand "unpatriotic" people, more so in case of Germans, who are, as a race,—rightly or wrongly—known to be nationalistic. An American can hardly understand why a German speaks or acts against his nation, and is inclined to believe that such a person is not speaking the truth but merely wants to cover his true feelings for some sinister purpose.

The average American is not aware of the fact that most of the leading thinkers of Germany in one way or the other were vehemently outspoken against their nation. Goethe, who is considered the greatest German who ever lived, wrote: "Germany is naught, but the individual German is much—although they like to believe the opposite. The German will have to be, like the Jews, uprooted and dispersed the world over, before all the good which is in them and which would work towards the well-being of all nations can be brought out . . ." Fichte, the most nationalistic of